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SENSITVE  
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STATE FOR NEA/MAG (NADI AND HAYES)  
STATE PASS USTR (BURKHEAD) AND USAID (MCLOUD)  
USDOC FOR ITA/MAC/ONE (NATHAN MASON), ADVOCACY CTR (TABINE), AND  
CLDP (TEJTEL AND McMANUS)  
CASABLANCA FOR FCS (ORTIZ)  
CAIRO FOR FINANCIAL ATTACHE (SEVERENS)  
LONDON AND PARIS FOR NEA WATCHER

E.O. 12958: N/A

TAGS: ECON ENRG EAID EFIN ETRD TS  
SUBJECT: TUNISIA: Nuclear Energy Plans

REF A. STATE 127423

¶B. TUNIS 1193

¶11. (U) This message is in response to Ref A request for Civil Nuclear Trade Initiative related information. The bulk of the information was acquired during the November 18 - 20, 2008 visit of Special Envoy for Nuclear Non-Proliferation, Jackie Wolcott (Ref B).

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Nuclear Development Plans  
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¶12. (U) GOT officials explained to visiting Special Envoy Jackie Wolcott that they are beginning to look at developing a domestic civilian nuclear energy program. The nascent nuclear regulatory commission is developing legislation through which the GOT will assign responsibility and authority over the national civilian nuclear program to various departments within the government. The public utility, STEG, confirmed that the GOT aims to bring a nuclear-powered energy plant online by 2020 to 2023. To that end, STEG is preparing a feasibility study on the future nuclear power plant location.

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Motivations  
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¶13. (SBU) Tunisia is a net importer of energy and fuel, and therefore is dependent on its neighbors. According to representatives from STEG, Tunisia imports roughly 60 percent of its natural gas for electricity generation from neighboring Algeria. STEG representatives explained that President Ben Ali wants to mitigate this energy dependency. To achieve this goal, the GOT is actively seeking to develop alternative energy solutions. Tunisia has experimented with wind power generation and solar panels are beginning to be used to power residential water heaters. However as energy demand increases, the GOT is increasingly drawn to nuclear power. The General Manager of STEG explained that the confluence of sustained high oil/fuel prices, combined with improved safety ratings on nuclear technology, had created a window of opportunity for nuclear energy.

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Financing  
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¶14. (SBU) During Special Envoy Wolcott's visit the GOT did not have information to share about its financing plans for the nuclear power

plant or feasibility studies. The GOT is only looking to build one nuclear power plant either in the northern industrial area near Bizerte or near the industrial and port city of Sfax. At present, the state-owned utility appears to be the most likely candidate to manage the nuclear power plant. Key government officials involved in the development of the nuclear energy plant include:

- Minister Lazhar Bououni, Higher Education, Scientific Research and Technology
- Professor Azza Hamou, Director of the National Center for Radio Protection
- Nafaa Reguigui, Deputy Director of Nuclear Applications, Center for Nuclear Science and Technology
- Zohra Azzouz Berriche, Deputy Director Project Development, Center for Nuclear Science and Technology
- Rabah Jerad, Deputy Managing Director, Tunisian Gas and Electric Company,
- Mustapha Kefihali, Project Manager, Tunisian Gas and Electric Company (Nuclear Power Plant feasibility study)

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Environment  
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¶15. (SBU) The following bullets respond to questions about the environment and available resources:

-- Nuclear Regulatory Commission -- Tunisia is developing its nuclear regulatory commission as part of draft legislation. No further information on this topic is available at this time.

-- Manufacturing Base -- Tunisia has a developed light electronics-manufacturing sector, but the GOT plans to import the majority of the needed nuclear technology. To this end, the GOT signed an agreement with France for nuclear technology transfer and cooperation during the spring 2008 visit of French President Sarkozy. The GOT has also had talks on nuclear technology with South Africa and Canada.

-- Nuclear Workforce Availability -- Tunisia admits to lacking a well-trained nuclear work force. During Special Envoy Wolcott's visit representatives from STEG explained that the GOT accepted an invitation by the French government to send ten Tunisian scientists in an exchange program to study in France. The GOT is interested in additional programs elsewhere to increase the availability of local experts.

-- Primary Players -- The state-owned utility expects to play a central role in developing, building and bringing online the proposed nuclear power plant. However, the Ministry of Higher Education, Scientific Research and Technology has the lead in Tunisian engagement with the IAEA.

-- Competition -- France, South Africa, and Canada have independently met with GOT officials. On November 27 - 29, the French Embassy hosted a conference on nuclear technology.

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For American Businesses  
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¶16. (U) It is unclear when the GOT will release the tender for the construction of the nuclear power plant. The GOT is currently engaged in developing a feasibility study to determine the best location for the plant. To this end, Embassy Officials offered the GOT a meeting with the Trade Development Agency during the latter's visit (the same week as Special Envoy Wolcott's visit) to Tunisia. The GOT expressed interest in learning more about US nuclear technology during Special Envoy Wolcott's visit. Areas for possible cooperation include construction, construction management, reactor sales, fuel cycle service provision, logistics and waste management. GOT civilian nuclear energy plans are nascent.

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Comment  
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¶17. (U) Tunisia signed a framework agreement of cooperation with

France in May of 2006 during President Sarkosy's visit earlier this year. As follow up the French Embassy and several French ministries organized a nuclear technology conference held on November 27 and 28 as one of several such events. Despite the advanced state of Tunisian-French nuclear cooperation, the GOT expressed interest in learning more about US technology during Special Envoy Wolcott's visit. End Comment.

GODEC